RAJYA SABHA

Thursday, the 17th May, 1990/
27 Vaisakha, 1912 (Saka)

The House met at eleven of the clock, **Mr Chairman** in the Chair

ORAL ANSWERS TO QUESTIONS

Talks under Indo-US Joint Economic and Commercial Sub-Commissions

*221. SHRI KRISHAN LAL SHARMA:

SHRI ATAL BIHARI VAJPAYEE:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that under the auspices of the Indo-US Joint Economic and Commercial Sub-commission, talks were recently held concerning Uruguay Round of multilateral negotiations under the GATT, regarding investment barriers, intellectual property rights and the new Indian Government's approach to economic policies; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN): (a) and (b) Statement is laid on the Table of the House.

STATEMENT

The agenda of the meeting of Indo-US Economic and Commercial Sub-Commission held at Washington on 2-3 April, 1990 was the following:—

(1) Economic overview of the global, Indian and US economies;

(2) Bilateral trade and investment issues; and

(3) Multilateral issues, assessment of progress and key issues in the negotiations.

In regard to Indian economy the Indian delegation described the favourable features. Growth rate over the last decade was respectable and the inflation had been under control. External debt has increased but India's credit rating remained high. Capital markets in India are on an upward trend, industrial growth has averaged 8 per cent over the last 6 years and export growth this year has been very encouraging. Among the unfacourable features were fiscal deficits and balance-of-payments problems. The new Government had initiated the process of correcting these problems and foreign exchange reserves in the last three months had increased by about 20 per cent. The scale deficit in the current years was expected to decline by 1 per cent of the G.D.P.

In regard to investment the US delegation pleaded for elimination of restrictions on foreign investment. The Indian delegation presented the current status of Government's policies on foreign investment. It reiterated that the foreign investment policy had sufficient flexilibity to meet the requirements according to national priorities. It also explained that foreign investment policy formed a part of and also reflected, the industrial, economic and social policy of the country. Indian policy was non-discriminatory and provided a stable environment for foreign investors to operate India. has never imposed any restrictions on repatriation of profits and dividents despite balance of payments problems. It was clarified that within the structure of the foreign investment policy, efforts were being made to make policy more transparent and predictable. There is also a constant review of the procedures with a view to simplifying them. Referring to the negotiations in the Uruguay Round, the Indian delegation made its position clear that the objective of negotiation was not to set up an investment regime but to look at the adverse trade

†The question was actually asked on the floor of the House by Shri Krishan Lal Sharma.

effect of specific investment measures. Any search for multilateral solutions in this area would also have to take into account the fact that in the developing countries investment measures serve to harmonise national interests with the interest of the investor.

In regard to intellectual property rights the U.S. side noted US concerns on patents, copyright and trade marks. The Indian delegation reiterated the main elements of its stand in the Uruguay Round, viz. that the outcome of the negotiations on trade related aspects of intellectual property rights could not be lodged in GATT and that development, technological and public interest objectives of developing countries had to be taken into account in setting norms and standards. In respect of patents in particular it was explained that our law is designed to meet these objectives. The Indian delegation also mentioned that in India while public opinion was for strengthening enforcement of the existing laws on copyright for combating piracy it was equally against making the norms of patents on pharmaceuticals stronger on the ground that this would not only contribute to an increase in prices of medicines but also militate against technological development in the country. It stated that on trade marks the situation in India was comparable to that existing in industrialised countries.

The Indian delegation also reiterated its stand that it would not negotiate under the threat of retaliation under Super 301.

श्री कृष्ण लाल शर्मा : सभापति महोदय, मंत्री महोदय ने जो वक्तव्य दिया है उसमें उन्होंने कहा है कि इस चर्चा में कुछ फेवरेबल और अनफेवरेबल फीचर्ज थे। 4 अप्रैल को जो वित्त सचिव ने अपना वक्तव्य दिया उसमें श्री विमल जालान ने भी कुछ एरियाज आफ एग्रीमेंट एण्ड डिसएग्रीमेंट बताए। मेरा सवाल यह है, स्पेसिफिक इसके बारे में एनुमरेट करके बताइये कि वह एरियाज आफ फेवरेबल और अनफेवरेबल फीचर्स क्या थे, एक दो तीन करके बताएं, मैं उनको जानना चाहता हूं। इसी प्रश्न से जुड़ा हुआ प्रश्न यह भी है कि इसमें जो एस्पेक्ट आपने बताए ट्रेड रिलेटिड एस्पेक्ट आफ इंटलेक्चुअल प्रापर्टी राइट्स के बारे में हमारा स्टेंड है कि हम इसको नहीं मान रहे हैं। अगर उनके कहने के मुताबिक हम इसको मानते तो इसका प्रभाव हमारे ट्रेड पर हमारे पक्ष पर क्या पड़ता, इसको मैं जानना चाहता हूं।

SHRI ARANGIL SREEDHARAN: In the mater of intellectual property rights, there is a lot of difference between the two countries. Our economic systems and the levels of economic development are different. Because of the situations prevailing particularly in the developing countries, we need certain protections so that our intellectual property rights are not overtaken by foreign intellectual property rights. So we have decided to restrict it to our own conditions that exist within our own law.

श्री कृष्ण लाल शर्मा : सभापति महोदय, एक छोटी सी बात और पूछूंगा। आपने सुपर 301 के अन्तर्गत यह कहा कि न उन्होंने इश्यू उठाया और न हमने उठाया। अब यह तो हम समझ सकते हैं कि उन्होंने तो हम को सिंगल आऊट कर दिया, उन्हें उठाने की जरुरत नहीं थी। हमने यह विषय उस मीटिंग में क्यों नहीं उठाया और हमने इसमें देश का क्या हित समझा कि इस विषय को मिटिंग में नहीं उठाया, हमने सिंगल आऊट किये जाने पर भी इसका प्रोटेस्ट क्यों नहीं किया ?

SHRI ARANGIL SREEDHARAN: It has been pointed out on the floor of this House in reply to a Call Attention Motion. We have spelt out policy very clearly that Super 301 is an American law. There is an attempt to internationalise that law and to make it applicable and obligatory on the part of other countries. We have resisted this attempt because this cannot be raised in general trade relations and discussions. This can be raised only in bilateral talks. Even

in bilateral talks we resisted the attempt to raise it. We have made it clear that we shall not negotiate under threat that TRIM services should be included in the agenda of Uruguay Round by seeking concessions bilaterally. In this area, the U.S. has put multilateral process in jeopardy. The implementation of section 301 provision will emasculate the world trading system and the U.S. law ignores the principle of CATT and multilateral authorisation and is taken for retaliatory measures.

SHRI P. SHIV SHANKER: Mr. Chairman, Sir, the issue raised is a very serious one. In fact, from multilateral forums, the United States and other Western developed countries bad been trying to bring issues pertaining to services, investment and intellectual property into the CATT and ultimately they would like to pressurise bilaterally so what the countries accede to their wrong pressures. In my view th Western countries which have been imperialistic have failed in the process of political imperalism. Even with India, centuries back, they started with trade and came to have poltical grip over this country making it a totally colonial country. Now to me it apprears that. the cricle has taken a complete turn and the economically strong countries in the West are trying to develop their grip over the economy of the developing countries, to start afresh their thrust into the political arena of these developing countries. Now, therefore, it is a case of economic imperialism rather than a case of polltical imperialism. It is in this background that I would like to ask the hon. Minister whether on the issues of services, investment and intellecutal property a clear assurance will be given that they would not yield to the economic pressures of these developed countries which will be subjecting to economic imperialism. Have they a clear policy If they have a clear policy, would the hon. Minister assure this House and the nation that in no way the country's sovereignty; the economic sovereignty would be yielded in any form to these Western countries which are economically developed which would like to have economic suzerainty over the developing countries?

SHRI ARANGIL SREEDHARAN: Sir, I almost agree with the analysis given by the Leader of the Opposition.

SHRI DIPEN GHOSH: Why "almost"?

SHRI ARANGIL SREEDHARAN: I will come to it. We have had the experience of East India Company how they came and how they conguered our country. I understand trade is a weapon being used and economic pressure is being used to annihilate the political system in other countries. This is nothing new to the world. I feel that this should be resisted unequivocally and uncompromisingly I assure the Leader of the Opposition that we are second to none in fighting this out and we are second to none in safeguarding the economic affairs of the country.

PROF. MADHU DANDAVATE: We have already told them in America, don't worry.

SHRI P. SHIV SHANKER: I have already seen it.

SHRI SUKOMAL SEN: I welcome the hon. Minister's statement. The written statement that he has tabled only gives the position of the Government of India but not the reaction of the U.S. Government to the position taken by our Government. That reaction is not there. A reference has been made expressing their concern on patent and property rights. But, Sir, I feel concerned about one aspect of this statement. What it says "The Indian delegation also mentioned that in India while public opinion was for strengthening enforcement of the existing laws and copyrights combating piracy". Up to this, it is all right. It was equally against making the norms

of patents of pharmaceuticals stronger on the ground that it should not only contribute to the increase in prices of medicines but also better technological development in the country. Sir, already in the pharmaceutical industry in our country, the multinationals have a very strong hold on our industry. But now these statements and these opinons of the Government of India, will they not further strengthen the hold of the multinationals on our pharmaceutical industry in our country? What we are fighting against is the economic imperialism. Will it not further affect it? In this way the hold of economic imperialism will further be strengthened on the pharmaceutical industry in this country. (*Interruption*).

SHRI DIPEN GHOSH: Why pharmaceutical industry?

SHRI SUKOMAL SEN: It has already come and it will further come. I would like a categorical answer on this.

SHRI ARANGIL SREEDHARAN: Sir, the Ministry of Commerce by itself cannot lay down the policy. Our attitude to the multinationals ramifications in India has to be decided at the highest Government level. So, it is not possible for me to set out the policy at this juncture.

SHRI SUKOMAL SEN: Sir, this is not the reply. (*Interruptions*).

SHRI DIPEN GHOSH: Particularly this reply does not flow out of the assurance given by the Minister to the Leader of the Opposition. The reply must be categorical because the question is whether we are going to fight the economic imperialism when the western imperialist countries are determined to put their foot down on the economic independence of the newly independent developing countries like ours. So, the right of intellectual property comes to the patents, naturally, in the case of pharmaceutical industry, if that right is guaranteed one way or the other. That was, in fact, the question. The supplymentary of Mr. Sukomal Sen was this.

SHRI SUBRAMANIAN SWAMY: Sir, what is this? Is he going to make a speech on this?

SHRI DIPEN GHOSH: It is not a question of debate. The reply was not clear and comprehensive in the backround of the assurance given by the Minister to the question that was put by the Leader of the Opposition.

SHRI P. SHIV SHANKER: The reply given is the antithesis of the reply that has been given to me.

SHRI ARANGIL SREEDHARAN: No, Sir. There is no antithesis in this reply.

MR. CHAIRMAN: Now you give the synthesis.

AN HON'BLE MEMBER: That is dialectics.

SHRI ARANGIL SREEDHARAN: Coming as it is from my hon. friend, I am not surprised. I said in my previous reply to the Leader of the Opposition, we will stoutly defend the economic rights of this country but the multinationals are operating in this country.

SHRI P. SHIV SHANKER: You also said that you will not yield to the economic interests of the imperialists.

MR. CHAIRMAN: You have said that you will not yield... (*Interruption*).

SHRI ARANGIL SREEDHARAN: I said that our policy towards the multi-nationals that are already operating in this country needs a policy decision and we will not allow the multinationals to dominate our economy.

MR. CHAIRMAN: Shri Virendra Verma... Shri S. B. Chavan.

SHRI S. B. CHAVAN: Sir, I would like to understand from the hon. Minister that under Super-301, three countries were mentioned. Out of these three countries, Brazil and Japan have gone out and India has remained. What is the assessment of the Government about the motivation of bringing about this Super-301? Is it true that the in Urguay round of talks where India is supposed to plead the case of all underdeveloped countries, they are trying to pressurise the Government of India with a view to seeing that they do not bring about this kind of a pressure and do not plead the case of the underdeveloped countries in a very effective manner? Will the Government give an assurance that they will not yield to the pressure which the years trying to bring about? Certainly I would like to know what is the thinking of the Government about that matter.

SHRI ARANGIL SREEDHARAN: India has always been championing the cause of underdeveloped countries and no pressure will alter our position in this regard because we stand by the underdeveloped countries.

SHRI YASHWANT SINHA: Thank you, Sir. The Minister, I am sure, must be aware that the negotiations which have taken place... (*Interruptions*).

MR. CHAIRMAN: There is no queue here.

SHRI YASHWANT SINHA: In the negotiations which have taken place so far in the Uruguay round, especially in regard to intellectual property, where the Indian and the U.S. positions are diametrically opposed to each other, there are three landmarks or stages. The first was the meeting in Punta del-Este. The second was the meeting in Montreal and the third and the critical meeting was in Geneva in March or April 1989. Now, will the Minister kindly tell the House what stand the Government of India took in the Geneva meeting of April 1989? In what way the stand of the Government of India was compromised by the position taken by India in that meeting? How does the Government of India now propose to get out of that very difficult situation which has been left behind for us by the gentlemen sitting in the opposite side?

PROF. MADHU DANDAVATE: There is no gentlemen in the House. There are only hon. Members.

MR. CHAIRMAN: At last those who are not Members are gentlemen.

SHRI ARANGIL SREEDHARAN: As the hon. Member has pointed out we have reached a stage... (*Interruptions*).

SHRI P. SHIV SHANKER: .. ..he is a gentlemen and not an hon. Member of this House.

SHRI ARANGIL SREEDHARAN: Sir, as the hon. Member has rightly pointed out, as a result of certain failures in the previous negotiations, we have reached this sad state of affairs. Now we have taken an uncompromising stand and that stand is in keeping with our socio-economic policies. And we are tryng to get the developing countries on our side because today this can happen to India and tomorrow it can happen to any of the developing countries. With this in view we are having discussions with other underdeveloped countries to create a climate which is opposed to Super 301.

MR. CHAIRMAN: Question No. 222.

SHRI DIPEN GHOSH: What was the stand in the Geneva Conference? The specific question is not answered. How do they propose to go out of that commitment mdae in the Geneva agreement?

MR. CHAIRMAN: I have passed on to Question No. 222. (*Interruptions*) They are not going to compromise in any case, anywhere.

SHRI YASHWANT SINHA: Are you getting out of an international commitment?

SHRI CHATURANAN MISHRA: In what way, the stand of the previous Government... (*Interruption*).

MR. CHAIRMAN: I have not called you. I have called Question No. 222 (*Interruptions*).

SHRI YASHWANT SINHA: The supplementary has not been answered.

MR. CHAIRMAN: I have called Question No. 222 (*Interruptions*). He has said categoricaly that you can be sure that this Government will not yield to any pressure from whatever quarter it may come.

SHRI DIPEN GHOSH: The question was very specific. What was the stand taken by the previous Government in the Geneva Conference and how the present Government proposes to go out of that commitment?

SHRI CHATURANAN MISHRA: In respect of a specific question... (*Interruptions*).

MR. CHAIRMAN: No. No Mr. Mishra, I have not permitted you I have passed on to Question No. 222.

SHRI YASHWANT SINHA: My supplementary has not been answered.

MR. CHAIRMAN: Mr. Sinha, you know the whole procedure. (*Interruptions*).

SHRI YASHWANT SINHA: My question has not been answered.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: The second question has been called. Let us obey the orders of the Chair.

MR. CHAIRMAN: Kindly understand that if there are some more facts which you want to find out, there is a procedure provided in the Rules of Procedure. You can ask for a half-an-hour discussion. The matter ends there.

Q. No. 222.

*222. [*The questioner (Shri Jagadish Jani) was absent for answer* vide *col.* 33-34 *infra*].

Setting up Benches of High Courts

*223. SHRI PASUMPON THAKIRUTTINAN
SHRI V. GOPALSAMY:†

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the number of Benches of High Courts set up in the country during the Seventh Plan period;

(b) the location of each Bench and the year of its setting up;

(c) whether there is any proposal to set up more such Benches;

(d) if so, the details of each proposal and when each proposal was made; and

(e) what steps are being taken to implement these proposals?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) and (b) A permanent Bench of the Gauhati High Court was set up at Kohima, Nagaland in February, 1990.

(c) to (e) It is proposed to set up permanent Benches of the Gauhati High Court in Meghalaya, Manipur, Tripura and Mizoram, and a Circuit Bench in Arunachal Pradesh. A permanent Bench will be set up at Aizawl in Mizoram very soon. In other States the Benches will be set up as soon as necessary facilities are made avail-

†The question was actually asked on the floor of the House by Shri V. Gopalsmy.